

ABS' repair recommendations in non-reportable marine casualties and may take into account the ABS' temporary repair recommendations in reportable marine casualties. Generally, the Coast Guard will accept the ABS' recommendations for permanent repairs when the affected vessel no longer poses an immediate pollution or navigation safety threat.

- h. Liaison with the ABS. The Coast Guard will establish and maintain liaison with the ABS in accordance with the terms and conditions specified in its Memorandum of Understanding Concerning Delegation of Vessel Inspections and Examinations, and Tonnage Measurement, and Acceptance of Plan Review and Approval of January 12, 1995. Among other things, this liaison will promote effective communication at all appropriate levels of the respective organizations, and facilitate sharing written and computer information relevant to the vessels participating in this program.

**APPEALS, INTERPRETATIONS AND EQUIVALENCIES TO
REQUIREMENTS OF INTERNATIONAL CODES AND CONVENTIONS**

1. **GENERAL.** The process for appealing the decision of a classification society acting on behalf of the Coast Guard is established in 46 CFR 1.03-35. This enclosure provides vessel owners, operators and builders with alternative procedures for appealing decisions of the Coast Guard and the ABS associated with the various aspects of the CG/ABS/ACP. Using these alternative procedures will facilitate the appeals process. This enclosure specifies the procedures to obtain interpretations of the ABS Rules, the U.S. Supplement and international codes and conventions. It also provides the procedures to obtain an equivalency determination to ABS Rules, the U.S. Supplement and international codes and conventions.

APPEALS

2. **APPEALING ABS DECISIONS PERTAINING TO ABS CLASSIFICATION RULES.**

Plan Review: Persons aggrieved by an ABS decision pertaining to the application of a classification rule, where the classification rule is part of the CG/ABS/ACP requirements, should apply to the ABS. The ABS will specify the procedures to be followed. Aggrieved parties are encouraged to resolve the matter at the most immediate level practicable. Failing resolution at the most immediate level, an aggrieved party may appeal to the Vice President of Engineering at ABS Americas. The decision of ABS' Vice President of Engineering is final. ABS Americas will notify the Coast Guard of its decision. The ABS' decisions may be adopted as Coast Guard policy.

New Construction or conversion: Persons aggrieved by an ABS decision pertaining to the application of a classification rule, where the classification rule is part of the CG/ABS/ACP requirements, must apply to the ABS. The ABS will specify the procedures to be followed. Aggrieved parties are encouraged to resolve the matter at the most immediate level practicable. Failing resolution at the most immediate level (i.e., attending Surveyor, Surveyor-in-charge), an aggrieved party may appeal to the Survey manager at ABS Americas. The decision of ABS' Survey manager is final. ABS Americas will notify the Coast Guard of its decision. The ABS' decisions may be adopted as Coast Guard policy.

3. APPEALING ABS DECISIONS PERTAINING TO THE U.S. SUPPLEMENT OR INTERNATIONAL CODES AND CONVENTIONS.

Plan Review. Owners or operators of participating vessels who are aggrieved by an ABS decision on matters involving the U.S. Supplement or international codes and conventions must first appeal the matter to the ABS. The ABS will specify the procedures to be followed. Aggrieved parties are encouraged to resolve the matter at the most immediate level practicable. Failing resolution of the matter at the most immediate level, an aggrieved party may appeal to the Vice President of Engineering at ABS Americas. If resolution is achieved, ABS Americas will notify the Coast Guard of its decision.

Failing resolution with the ABS, an aggrieved party may appeal the matter to the Coast Guard in accordance with 46 CFR 1.03-35(a). Such appeals must be made in writing to Commandant (G-MTH), submitted via the Vice President of Engineering at ABS Americas with a copy to the Coast Guard ABS Liaison Officer. ABS Americas will forward the appeal, along with its comments, to Commandant (G-MTH) within five working days of receipt. Commandant (G-MTH) should respond to the appeal within ten working days of receipt from the ABS. This may be an interim response in complex cases where final resolution requires extensive research or deliberation.

Decisions of Commandant (G-MTH) are final. The Coast Guard will notify ABS Americas of its decision. Decisions of the Commandant may be applied as Coast Guard policy.

Inspection and Examinations. Owners or operators of participating vessels who are aggrieved by an ABS decision on matters involving the U.S. Supplement or international codes and conventions must first appeal the matter to the ABS. The ABS will specify the procedures to be followed. Aggrieved parties are encouraged to resolve the matter at the most immediate level practicable. Failing resolution at the most immediate level (i.e., the attending inspector, Surveyor-in-charge), an aggrieved party may appeal to the Survey Manager at ABS Americas. If resolution is achieved, ABS Americas will notify the Coast Guard of its decision.

Failing resolution with the ABS, an aggrieved party may appeal the matter to the Coast Guard. The appeal may be submitted in accordance with 46 CFR 1.03-35(b), or may be submitted to Commandant (G-MVI) via the Survey Manager at ABS

Americas with a copy to the Coast Guard ABS Liaison Officer. ABS Americas will forward the appeal, along with its comments, to Commandant (G-MVI) within five working days of receipt. Commandant (G-MVI) should respond to the appeal within ten working days of receipt from the ABS. Decisions of Commandant (G-MVI) are final. The Coast Guard will notify ABS Americas of its decision. Decisions of the Commandant may be applied as Coast Guard policy.

4. APPEALING COAST GUARD DECISIONS. Persons aggrieved by a decision of the Coast Guard may appeal in accordance with the procedures contained in 46 CFR 1.03. The Coast Guard will notify ABS Americas of its decisions. Decisions may be applied as Coast Guard policy.

INTERPRETATIONS

5. INTERPRETATIONS DEFINED. An interpretation is policy by a cognizant authority which establishes acceptable methods of compliance with applicable rules, regulations or standards for which there may be a variety of possible approaches to compliance. The ABS is the cognizant authority for interpretations pertaining to those classification rules which are part of the CG/ABS/ACP requirements. The Coast Guard is the cognizant authority for interpretations of the U.S. Supplement and international codes and conventions.

The specific procedures for requesting interpretations are outlined below:

ABS CLASSIFICATION RULES:

Plan Review: Apply to the ABS for interpretations of classification rules which are part of the CG/ABS/ACP requirements. The ABS will specify the procedures to be followed. The ABS shall make the interpretation, and so notify the applicant. Interpretations of the ABS are final. ABS Americas will notify the Coast Guard of its interpretation.

New Construction or conversion: Apply to the ABS for interpretations of classification rules which are part of the CG/ABS/ACP requirements. The ABS will specify the procedures to be followed. The ABS shall make the interpretation, and so notify the applicant. Interpretations of the ABS are final. ABS Americas will notify the Coast Guard of its interpretation.

ABS U.S. SUPPLEMENT:

Plan Review: Apply to the ABS for interpretations of items in the U.S. Supplement. The ABS will specify the procedures to be followed. The ABS will inform the MSC of its proposed interpretation. If the MSC accepts the interpretation, the ABS will so inform the applicant. If the ABS' interpretation is not accepted, the MSC will provide an interpretation to the ABS, which the ABS will then convey to the applicant. Interpretations of the Coast Guard are final.

Inspection and Examination: Apply to the ABS for interpretations of items in the U.S. Supplement. The ABS will specify the procedures to be followed. The ABS will inform Commandant (G-MVI) of its proposed interpretation. If the Commandant accepts the interpretation, the ABS will so inform the applicant. If the ABS' interpretation is not accepted, Commandant (G-MVI) will provide an interpretation to the ABS, which the ABS will then convey to the applicant. Interpretations of the Coast Guard are final.

INTERNATIONAL CODES AND CONVENTIONS:

Plan Review: Apply to the ABS for interpretations of requirements in an international code or convention. The ABS will specify the procedures to be followed. The ABS will inform the MSC of its proposed interpretation. If the MSC accepts the interpretation, the ABS will so inform the applicant. If the ABS' interpretation is not accepted, the MSC will provide an interpretation to the ABS, which the ABS will then convey to the applicant. Interpretations of the Coast Guard are final.

Inspection and Examination: Apply to the ABS for interpretations of items in an international code or convention. The ABS will specify the procedures to be followed. The ABS will inform Commandant (G-MVI) of its proposed interpretation. If the Commandant accepts the interpretation, the ABS will so inform the applicant. If the ABS' interpretation is not accepted, Commandant (G-MVI) will provide an interpretation to the ABS, which the ABS will then convey to the applicant. Interpretations of the Coast Guard are final.

EQUIVALENCIES

6. REQUESTING AN EQUIVALENCY TO AN ABS CLASSIFICATION RULE, A RULE IN THE ABS U.S. SUPPLEMENT OR A REGULATION IN AN INTERNATIONAL CODE OR CONVENTION.

Plan Review: Apply to the ABS to request an equivalency determination. The ABS will specify the procedures to be followed. The ABS is authorized to evaluate and approve, on behalf of the Coast Guard, the application of an equivalent "component" level or "system" level standard. ABS Americas will notify the Coast Guard of equivalency approvals.

Equivalency evaluations which involve truly unique or novel features or the substitution of one type of system for another, will be reviewed by the ABS and forwarded, with ABS' comments and recommendations, to the Coast Guard for final approval.

Inspection and Examination: Apply to the ABS to request an equivalency determination. The ABS will specify the procedures to be followed. The ABS will inform Commandant (G-MVI) of its proposed determination. If the Commandant accepts the determination, the ABS will so inform the applicant. If the ABS' determination is not accepted, Commandant (G-MVI) will provide the ABS with a determination, which the ABS will then convey to the applicant. Determinations of the Coast Guard are final.

ENROLLMENT PROCEDURES AND CONDITIONS FOR PARTICIPATING
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1. WHERE TO APPLY. Owners, operators, or builders who wish to enroll a vessel in the CG/ABS/ACP are invited to apply to:

ABS Americas/Survey Manager
16855 Northchase Dr.
Houston, TX 77060

Each vessel proposed for enrollment must be individually identified by the applicant.

2. WHEN TO APPLY. Applications for vessels under construction must be made at the time the building contract is signed, or as soon thereafter as practicable. Applications for existing certificated vessels may be made at any time.
3. OBTAINING INFORMATION. The Survey Manager is the ABS employee responsible for overseeing and managing the CG/ABS/ACP, and is the point of contact for questions concerning the ABS' duties, responsibilities, practices and procedures in carrying out the program. Contact the Survey Manager for additional application procedures.
4. CONDITIONS OF ENROLLMENT. Existing vessels must have valid international convention certificates and be classed by the ABS, or applicants must agree to class their vessels with the ABS.

Applicants must authorize the Coast Guard access to any and all records, files, reports, documents, certificates, etc., held or issued by the ABS incident to performing CG/ABS/ACP activities which the Coast Guard deems necessary to monitor the condition of the vessel during its participation in the alternate compliance program. This authorization will remain in effect as long as the vessel is enrolled in the CG/ABS/ACP.

Applicants must abide by the appeal procedures established in enclosure (3) to this NVIC. This authorization will remain in effect as long as the vessel is enrolled in the CG/ABS/ACP.

Applicants must agree to reimburse the Coast Guard for expenses incident to new construction inspections, inspections for certification, periodic re-examinations, drydock examinations, damage surveys, and oversight activities performed by Coast Guard personnel at foreign locations.

Enclosure (4) to NVIC 2-95

Owners or operators of vessels participating in the CG/ABS/ACP must advise crew members when the vessel to which they are assigned is participating in this program.

Owners or operators of vessels participating in the CG/ABS/ACP must accept the ABS as the issuing authority for their vessels' international convention certificates.

5. PERIOD OF ENROLLMENT. Vessels remain enrolled in the CG/ABS/ACP unless disenrollment is requested by the vessel's owner or operator, or the vessel is disenrolled for cause by the ABS. Vessel owners or operators may voluntarily disenroll a vessel from this program by making a written request to the ABS Americas/Survey Manager.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES COAST GUARD
AND THE
AMERICAN BUREAU OF SHIPPING
CONCERNING DELEGATION OF
VESSEL INSPECTIONS AND EXAMINATIONS, AND
TONNAGE MEASUREMENT, AND
ACCEPTANCE OF PLAN REVIEW AND APPROVAL**

I. Purpose.

This Memorandum of Understanding (MOU) delegates authority and sets forth guidelines for cooperation between the United States Coast Guard and the American Bureau of Shipping (ABS) with respect to the initial and subsequent inspections for certification and periodic reinspections or examinations of vessels of the United States, as defined by 46 U.S.C. § 2101(46), both in the United States and in foreign countries, in the review and approval of plans, the tonnage measurement of vessels, and in associated activities. Nothing in this MOU alters in any way the statutory or regulatory authority of the Coast Guard or the rules, services and responsibilities of the ABS related to vessel classification.

II. Parties.

A. The Coast Guard is statutorily authorized to administer laws and promulgate and enforce regulations for the promotion of the safety of life and property at sea and the protection of the marine environment. In accordance with the authority granted by 46 U.S.C. § 2104 and § 3316, the Coast Guard is authorized to delegate to the ABS the inspection and examination of vessels of the United States. The Coast Guard also has statutory authority under 46 U.S.C. Part J - Measurement of Vessels, for the measurement and the certification of tonnages for vessels required or eligible to be documented as vessels of the United States. Under 46 U.S.C. § 14103, the Coast Guard may delegate the authority to measure certain vessels to qualified persons. Further, under 46 U.S.C. § 3316, the Coast Guard is authorized to accept the review and approval of vessel plans performed by the ABS.

B. The ABS is a not for profit corporation chartered under the laws of the State of New York. The ABS is chartered for the purpose of promoting the security of life and property on the seas, and protection of the marine environment. The ABS is maintained as an organization having no capital stock and paying no dividends. The Secretary of Transportation appoints two active representatives, one of which is the Commandant of the Coast Guard, to represent the U.S. Government on the ABS Council

or Board of Directors. Affected American interests and members of the Coast Guard serve on technical and special committees of the ABS and have a voice in the development of Rules for classification published by the ABS. A standing committee of personnel from the Coast Guard and the ABS periodically reviews the relationships between the organizations.

III. Delegation of Vessel Inspections and Tonnage Measurements and Acceptance of Plan Reviews and Approvals

A. Delegation.

1. The Coast Guard delegates to the ABS, as its agent, the authority to conduct the initial inspection for certification, subsequent inspection for certification, periodic reinspection and examination, including drydock examinations, and the authority to issue and endorse certain certificates for vessels documented, or to be documented, as vessels of the United States, both in the United States and in foreign countries.

2. The ABS is a qualified person for the purposes of measuring vessels and issuing certificates in accordance with 46 U.S.C. Part J and is delegated the authority to conduct tonnage measurement services in accordance with federal regulations as part of the Coast Guard vessel certification process.

B. Acceptance of Plan Reviews and Approvals.

1. The Coast Guard will accept the review and approval of vessel plans by the ABS in the same manner as if approved by the Coast Guard.

C. Terms.

1. The Coast Guard and the ABS will meet periodically, at all levels, to promote cooperation and handle matters of interpretation and policy concerning the subjects of this agreement.

2. In carrying out this agreement, the ABS will,

(i) provide written confirmation, in a mutually agreed format and media, of the results of inspections, examinations, reviews and approvals conducted on behalf of the Coast Guard, and provide the Coast Guard access to information concerning deficiencies identified by the ABS, related to functions delegated under this MOU. Subject to agreement of the vessel's owner, the ABS will provide the Coast Guard access to information concerning deficiencies related to classification by the ABS which have not been fully corrected;

(ii) in accordance with 46 U.S.C. §§ 3310 and 3316(c)(2), maintain in the United States records of all

inspections, examinations, measurements, reviews, and approvals done on behalf of the Coast Guard and make such records available to the Coast Guard upon request;

(iii) be subject to a mutually acceptable oversight program administered by the Coast Guard to determine that the functions delegated under this MOU are being carried out;

(iv) designate appropriate persons in the ABS to serve as points of contact with the appropriate Coast Guard personnel on matters of interpretation, policy, and the working relationship;

(v) submit proposed changes to the ABS Rules and the associated ABS quality system procedures and process instructions related to functions delegated under this MOU to the Coast Guard for review and comment to determine that these documents, read together with the U.S. Supplement to the ABS Rules, are consistent with U.S. law, regulation, and policy. Where the ABS adopts ABS Rule changes which are determined by the Coast Guard not to be consistent with Coast Guard regulation and policy, corrective provisions will be made in the U.S. Supplement to the ABS Rules;

(vi) submit for approval by the Coast Guard proposed changes to the U.S. Supplement to the ABS Rules; and

(vii) make available to the Coast Guard copies of the ABS guidelines, procedures, and work instructions which are related to the performance of the delegated functions.

3. In carrying out the delegated functions and services outlined in paragraph III.A.1, the ABS will also:

(i) ensure that its employees engaged in the performance of functions delegated under this MOU are familiar with and require compliance with applicable laws and regulations and Coast Guard policies, interpretations, and instructions, provided to the ABS by the Coast Guard, interpreting and applying those applicable laws and regulations including (1) the International Convention for the Safety of Life at Sea (SOLAS), and, where authorized, other applicable international conventions to which the United States is a party; (2) United States statutes; (3) federal regulations; (4) the ABS Rules; and (5) the U.S. Supplement to the ABS Rules;

(ii) promptly notify the Coast Guard at any time the ABS cannot fulfill its responsibilities under this MOU for any reason;

(iii) Unless otherwise specifically agreed in writing, conduct delegated inspections, examinations and plan review using only exclusive employees of the ABS;

(iv) ensure that, when an employee of the ABS is performing a function delegated under this MOU on board a vessel of the United States, the employee will promptly notify the cognizant Officer in Charge, Marine Inspection of any condition of the vessel or its equipment that does not correspond substantially with the particulars of the certificate of inspection or is such that the vessel is not fit to proceed to sea without danger to the vessel or persons on board to allow the Coast Guard the opportunity to conduct a timely investigation or examination as appropriate;

(v) ensure that, when an employee of the ABS attends a vessel to carry out delegated functions and finds that vessel is not in compliance with applicable requirements, the ABS employee will promptly notify the responsible vessel representative of the findings and that corrective action to rectify the deficiency must be taken. If the responsible vessel representative refuses to accept the findings and to undertake corrective action, the ABS employee is to advise the vessel representative of the appeals procedure and is to promptly notify the cognizant Officer in Charge, Marine Inspection, of the situation;

(vi) accept all requests to perform delegated services, on vessels classed by the ABS, without regard to the vessel's location, unless prohibited to do so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located; and

(vii) provide the Coast Guard with current schedules of inspection, examination, survey and plan review fees and related charges and provide copies of changes when they occur.

4. In carrying out the delegated functions and services outlined in paragraph III.A.2., the ABS will also:

(i) ensure that its employees engaged in the performance of functions delegated under this MOU are familiar with and require compliance with applicable laws and regulations and Coast Guard policies, interpretations, and instructions, provided to the ABS by the Coast Guard, interpreting and applying those applicable laws and regulations pertaining to the vessel measurement function, including the International Convention on Tonnage Measurements of Ships, 1969, and all tonnage measurement interpretations and policies of the Coast Guard within the scope of the authority delegated that would normally be applied to U.S. flag vessels;

(ii) conduct tonnage measurement on behalf of the Coast Guard using exclusive employees of the ABS or part time employees or independent contractors specifically designated by the ABS to provide measurement services under the Convention, Standard, or Dual Measurement Systems;

(iii) not use an employee or contractor to measure and certify the tonnage of a vessel if that employee or contractor is acting or has acted as a tonnage consultant for the same vessel;

(iv) physically conduct a compliance inspection before issuing each tonnage certificate;

(v) accept all requests to perform delegated services without regard to the vessel's location, unless prohibited to do so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located;

(vi) notify the Coast Guard of scheduled meetings that may take place between the ABS and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. vessels or to the systems under which U.S. vessels are measured; and

(vii) provide the Coast Guard with current schedules of measurement fees and related charges.

5. In carrying out this agreement, the Coast Guard will:

(i) provide the ABS with policies, interpretations, and instructions necessary to perform the delegated functions;

(ii) review and comment on proposed changes to the ABS Rules and the associated ABS quality system procedures and process instructions related to functions delegated under this MOU to determine that these documents, read together with the U.S. Supplement to the ABS Rules, are consistent with U.S. law, regulation, and policy. Where the Coast Guard determines that an ABS Rule is not consistent with Coast Guard regulations and policy, the Coast Guard will define, together with the ABS, corrective provisions to be made in the U.S. Supplement to the ABS Rules;

(iii) approve proposed changes to the U.S. Supplement to the ABS Rules.

(iv) designate appropriate persons to serve as points of contact for periodic review, clarification, and reinforcement of the working relationship between the Coast Guard and the ABS; and

(v) process appeals resulting from the actions of the ABS in accordance with pertinent Coast Guard procedures.

IV. Non-exclusivity. Nothing in this MOU shall be construed to limit the delegation of any function to a classification society other than the ABS to the extent allowed by law.

V. Effective Date. This memorandum shall become effective upon authorized signature of both the Coast Guard and the ABS.

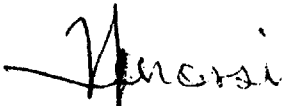
VI. Termination. As of the effective date of this MOU, the previous MOU between the Coast Guard and the ABS concerning plan review and inspection of vessels under construction certificated by the Coast Guard and the tonnage measurement of vessels is superseded and cancelled. This MOU may be terminated by one party upon written notice to the other party. Termination will occur sixty days after written notice is given from one party to the other party. This MOU should be reviewed annually by both parties.


Robert E. Kramak
Commandant

United States Coast Guard

Date:

JAN 12 1995


Frank J. Iarossi
Chairman and
Chief Executive Officer
American Bureau of Shipping
Date:

JAN 12 1995

U.S. Department
of Transportation

United States
Coast Guard

Commandant
U. S. Coast Guard

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COMDTINST 16711.17

12 June 1995

COMMANDANT INSTRUCTION 16711.17

Subj: OVERSIGHT OF THE U.S. COAST GUARD'S AMERICAN BUREAU OF
SHIPPING (ABS) BASED ALTERNATE COMPLIANCE PROGRAM

Ref: (a) NVIC 2-95, U.S. Coast Guard's ABS Based Alternate
Compliance Program
(b) Memorandum of Understanding Between the United States
Coast Guard and the American Bureau of Shipping
Concerning Delegation of Vessel Inspections and
Examinations, and Tonnage Measurement, and Acceptance
of Plan Review and Approval, dated January 12, 1995.
(c) COMDTINST 16711.18, Procedures for Issuing
Certificates of Inspection to Vessels Enrolled in the
U.S. Coast Guard's ABS Based Alternate Compliance
Program.

1. **PURPOSE.** This instruction establishes oversight procedures
to ensure that the U.S. Coast Guard's ABS Based Alternate
Compliance Program (CG/ABS/ACP) is properly carried out.
2. **ACTION.** Area and District Commanders, Commanders of
Maintenance and Logistics Commands, Commanding Officers of
Headquarters Units, Commander, Coast Guard Activities Europe
shall ensure compliance with the provisions of this
Instruction.

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NON-STANDARD DISTRIBUTION (See page 4.)

ENCLOSURE(3)

3. BACKGROUND.


- a. One of the significant achievements of the Coast Guard Regulatory Reform (CGRR) Initiative has been the development of alternate inspection compliance programs. The program involving the ABS (CG/ABS/ACP) is described in detail in reference (a). It is intended to reduce the regulatory burden on the maritime industry while maintaining existing levels of safety, and to provide the maritime industry with more flexibility in determining how to build and operate U.S. flag vessels.
- b. Oversight described in this instruction is intended to ensure that vessels participating in the CG/ABS/ACP are consistently designed, built, operated and maintained to a level of safety equivalent to that achieved by comparable vessels certificated under the Coast Guard's traditional inspection regime. The specific oversight activities which are part of the CG/ABS/ACP are intended to evaluate the material condition of participating vessels, as well as to assess the overall functioning of the program. In this context, overall functioning of the CG/ABS/ACP includes those plan review and inspection tasks delegated to the ABS, documentation related to those activities, and implementation of corrective actions when required. Oversight takes into account monitoring and audit activities which are part of the ABS Quality System.
- c. The duties, responsibilities and performance expectations for the Coast Guard and the ABS are described in reference (b). Specific procedural and administrative guidance on issuing Certificates of Inspection to vessels enrolled in the CG/ABS/ACP, and defined terms of reference, are provided in reference (c).

4. DISCUSSION.

- a. Coast Guard oversight is an important part of effective application of the CG/ABS/ACP. The Coast Guard will conduct certain oversight activities to ensure that the ABS plan review, inspection, and program administration consistently satisfy agreed upon standards.

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- b. The ABS Quality System includes a number of activities which contribute to effective program oversight. The ABS employs an activity monitoring program designed to assess the effectiveness of surveys and compliance with established procedures. This monitoring may result in corrective actions as necessary. The ABS Quality System also includes a series of audits conducted both internally and by external organizations such as the International Association of Classification Societies (IACS). Coast Guard oversight of the CG/ABS/ACP will include attending ABS activity monitoring and involvement in ABS internal and external audits.
 - c. Coast Guard oversight of the CG/ABS/ACP also includes direct verification of certification requirements delegated to the ABS.
 - d. Coast Guard oversight activities are separate and distinct from the activities related to vessel certification described in reference (c). However, observations made in the course of inspections for certification, periodic re-examinations, damage surveys and/or casualty investigations may provide a basis for initiating specific Coast Guard oversight actions.
 - e. The elements of Coast Guard oversight of the CG/ABS/ACP, as well as the duties and responsibilities of OCMIs, the Program Coordinator (the Coast Guard's ABS Liaison Officer) and the Commandant are described in greater detail in enclosure (1) to this instruction.
5. IMPLEMENTATION. Headquarters Division Chiefs, District Commanders, Commanding Officer, Marine Safety Center and OCMIs shall become familiar with the contents of this Instruction and carry out their respective duties and responsibilities as set forth herein.


J. C. CARD
Rear Admiral, U.S. Coast Guard
Chief, Office of Marine Safety,
Security and Environmental
Protection

Encl: (1) Oversight of the Coast Guard's ABS Based Alternate Compliance Program

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Non-Standard Distribution:

B:c MLCPAC, MLCLANT (6 extra).

C:e New Orleans (90), Baltimore (45); San Francisco Bay (40); Philadelphia, Port Arthur, Honolulu, Puget Sound (35); Miami, Mobile, Long Beach, Morgan City (25); Hampton Roads, Jacksonville, Portland OR (20); Boston, Portland ME, Charleston, Galveston, Anchorage (15); Cleveland (12); Louisville, Memphis, Paducah, Pittsburgh, St. Louis, Savannah, San Juan, Tampa, Buffalo, Chicago, Detroit, Duluth, Milwaukee, San Diego, Juneau, Valdez (10); Guam, Providence, Huntington, Wilmington, Corpus Christi, Toledo (5).

C:m New York (70); Houston (25); St. Ignace (5); Sturgeon Bay (4).

D:1 CG Liaison Officer MILSEALIFTCOMD (Code M-4E4), CG Liaison Officer RSPA (DHM-22), CG Liaison Officer JUSMAGPHIL, CG Liaison Officer MARAD (MAR-720.1) (1).

OVERSIGHT OF THE COAST GUARD'S ABS BASED ALTERNATE COMPLIANCE PROGRAM

I. ELEMENTS OF PROGRAM OVERSIGHT

Administration and coordination of the Coast Guard's oversight activity is the responsibility of the Coast Guard's ABS Liaison Officer, hereinafter referred to as the Program Coordinator. Coast Guard oversight of the CG/ABS/ACP is comprised of routine and non-routine activities.

ROUTINE OVERSIGHT

Routine oversight consists of established activities conducted at prescribed intervals dealing with the specific tasks performed by the ABS in this program. Routine oversight activities include:

EXPANDED CG/ABS/ACP BOARDINGS. The Coast Guard will board vessels enrolled in the CG/ABS/ACP to conduct inspections for certification and periodic re-examinations to carry out those activities which have not been delegated to the ABS. Boardings, similar to a U.S. Port State Control examination of a foreign flag vessel, are intended to verify crew competency in emergency drills, and assess the vessel's condition. At certain intervals, CG/ABS/ACP boardings will be "expanded" to include a check of some of the statutory or U.S. Supplement (see reference (a)) items previously surveyed by the ABS. The purpose of the expanded boardings is to provide the cognizant OCMIs the opportunity to make first hand assessments of the delegated inspection items, and to ensure that these items conform with applicable requirements. Expanded boardings will be conducted on participating vessels at intervals generally not to exceed once in every ten certification or re-examination boardings.

CG/ABS/ACP VESSEL DRYDOCK EXAM. Oversight of the drydocking of vessels enrolled in CG/ABS/ACP will be conducted to directly assess the condition of the participating vessel. On site oversight will be conducted on roughly 10 percent of drydock surveys of participating vessels. Vessels subject to drydock survey oversight will be determined by the Program Coordinator, in consultation with cognizant OCMIs. During the drydock, an external hull, and where practicable, an internal structural exam will be conducted by Coast Guard inspectors to the ABS' Survey Procedures for Surveys on Behalf of the U.S. Coast Guard and the associated Process Instruction Checksheets on U.S. Coast Guard Supplementary Requirements to Class Requirements (Checksheets). Cognizant OCMIs shall notify the ABS Surveyor-in-charge when the identity of the vessel has been determined and encourage ABS attendance.

Enclosure (1) to COMDTINST 16711.17

OVERSIGHT OF NEW CONSTRUCTION AND MAJOR MODIFICATIONS. The overall philosophy for oversight of the CG/ABS/ACP will be applied to new construction. In general, 10 percent of the ABS surveys conducted as part of the CG/ABS/ACP will be subject to direct Coast Guard oversight. The specific amount and areas of oversight will be determined by the Program Coordinator in consultation with the cognizant OCMI. Meetings between the cognizant OCMI and the ABS Surveyor-in-charge are required prior to the commencement of construction to discuss details of Coast Guard oversight.

ABS ACTIVITY MONITOR. One quality assurance measure used by the ABS is an Activity Monitoring Program. Periodically, the ABS surveyors are accompanied on surveys by Senior Surveyors or a designated surveyor so that a quality evaluation of established survey procedures can be made. OCMI's will be notified by Surveyors-in-charge when participating vessels are scheduled for an ABS Activity Monitor so that a Coast Guard inspector may attend. Coast Guard attendance of ABS Activity Monitors is intended to ensure that survey procedures provide an adequate assessment of a system or component's fitness for service.

INVOLVEMENT IN ABS AUDITS. Coast Guard representatives, either the Program Coordinator or personnel from Commandant (G-MVI), will periodically attend scheduled ABS internal or external audits.

NON-ROUTINE OVERSIGHT

Non-routine oversight will be conducted when specific Coast Guard observations of participating vessels indicate deficiencies which may have been caused by either the inadequacy of an ABS survey procedure or some other program non-conformity. Non-routine oversight activities include:

COAST GUARD INITIATED ABS ACTIVITY MONITOR. An OCMI may initiate an ABS Activity Monitor, which allows Coast Guard observation of a particular ABS survey procedure. Coast Guard inspectors will evaluate the survey procedure and determine if the survey procedure adequately addresses all of the relevant safety concerns of the Coast Guard. Necessary modifications to survey procedures will be made through the ABS Quality System.

VESSEL RECORD AUDIT. A vessel record audit will consist of a review of relevant portions of ABS records of a specific participating vessel. A vessel record audit is intended to identify failures in the application of program processes to a particular vessel, and to develop, in cooperation with the ABS, corrective action. OCMI's may recommend Vessel Record Audits

based upon specific observations of nonconformities on a participating vessel. The audit will be arranged by the Program Coordinator, and conducted jointly by the ABS and either the Program Coordinator or a representative from Commandant (G-MVI).

II. DUTIES AND RESPONSIBILITIES OF THE COGNIZANT OCMi

ROUTINE OVERSIGHT ACTIVITIES

EXPANDED CG/ABS/ACP BOARDINGS. The identity of vessels selected for an expanded CG/ABS/ACP Boarding will be communicated to OCMIs by the Program Coordinator. In addition to the tasks normally conducted during a CG/ABS/ACP boarding, as described in reference (c), the scope of the expanded boarding will include inspection of systems or equipment which has been previously surveyed by the ABS. Focus should be on those systems or equipment which are critical to vessel safety. Items covered by the U.S. Supplement and the Survey Procedures for Surveys on Behalf of the U.S. Coast Guard and the associated checksheets should also be considered for oversight because they are U.S. flag specific inspection procedures for ABS surveyors. The specific systems and equipment to be inspected will be determined by the Program Coordinator in consultation with the cognizant OCMi prior to the boarding. Inspection tasks performed during expanded boardings must not unreasonably interfere with the vessel's normal operation, nor require extensive set up or advance preparation to perform. The ABS Checksheets will be used to guide inspections of ABS delegated items.

As a general guideline, the Coast Guard's oversight portion of an expanded boarding should not take more than eight person-hours to complete. Delays in the inspection for any reason will increase this time estimate.

Prior to boarding the vessel, the cognizant OCMi shall inform the local ABS Surveyor-in-charge of the date, time, location and identity of the vessel being subjected to the expanded boarding. ABS attendance at an expanded boarding is to be strongly encouraged. ABS surveyors will provide necessary information about the ABS survey procedures and areas of emphasis. The ABS representatives who attend these boardings should be asked to provide any vessel records and background information which is applicable to the boarding.

Observations concerning the overall functioning of the CG/ABS/ACP, documentation of any apparent programmatic problems, and recommendations for any corrective actions should be made on the CG/ABS/ACP Inspection Record Form (see reference (c)) and a copy forwarded to the Program Coordinator.

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CG/ABS/ACP DRYDOCK EXAM. The identity of vessels selected for drydock oversight surveys will be communicated to OCMIs by the Program Coordinator. The cognizant OCMI shall then notify the ABS Surveyor-in-charge of the intended drydock oversight exam and request ABS attendance. During the drydock, an external hull, and where practicable, an internal structural exam will be conducted by Coast Guard inspectors to the ABS's survey standards, using the appropriate ABS Survey Procedures for Surveys on Behalf of the U.S. Coast Guard and the associated Checksheets.

Whenever possible, Coast Guard inspectors should attend the ABS Activity Monitor of drydock surveys and internal structural examinations on participating vessels. This will allow for an assessment of the vessel's condition and promote familiarization with the ABS procedures, and will not require scheduling additional activities.

OVERSIGHT OF NEW CONSTRUCTION AND MAJOR MODIFICATIONS. In general, program oversight applied to new construction shall be consistent to that applied to in-service vessels. Oversight will be conducted either for direct Coast Guard assessment of the material condition/quality of construction, or for evaluation of the ABS survey procedures involved.

Upon notification of new construction or major modifications of participating vessels (e.g., via an Application for Inspection, etc.), the OCMI shall confer with the Program Coordinator to discuss the details of Coast Guard oversight to be conducted.

Cognizant OCMIs shall meet with the ABS Surveyors-in-charge prior to commencement of construction or as soon thereafter as practicable to develop a mutually acceptable schedule of Coast Guard oversight visits during vessel construction. While each project will have its own unique circumstances to take into account, it is recommended that the pre-project meeting clearly establish:

- the identities of the respective points of contact involved (i.e., vessel and yard representatives, ABS lead surveyor, other surveyors, ACP officer, Coast Guard marine safety personnel, etc.);
- the frequency and location of follow-up meetings;
- the equipment, components and systems of particular interest by virtue of special approval requirements or criticality to safety;
- the frequency and scope of Coast Guard visits during the course of the project;

-the type, content and frequency of activity reports which will be submitted by the ABS during the course of the project;

-the procedures to be followed when activity reports are deemed inadequate;

-the resolution of plan review matters, and,

-the procedures to be followed in resolving disputes between Coast Guard marine safety personnel and the ABS surveyors concerning interpretation and application of the CG/ABS/ACP. (In this regard, it is strongly recommended that dispute resolution take place at the lowest level practicable, and elevate only as needed.)

The ABS Surveyor-in-charge should be requested to provide information on any ABS Activity Monitors scheduled during the project. Coast Guard inspectors should attend ABS Activity Monitors conducted during new construction whenever possible.

During the course of the project the OCMI will keep the Program Coordinator informed of any changes to the level and type of oversight being conducted.

ABS ACTIVITY MONITORING. Local Surveyors-in-charge will inform cognizant OCMI's of the date, time, location, vessel and activity to be monitored when an ABS Activity Monitor is scheduled on a participating vessel. Cognizant OCMI's shall inform the Program Coordinator whether or not they will attend.

Cognizant OCMI's or their designated representatives (i.e., ACP Officers) are strongly urged to attend activity monitoring. Coast Guard attendees are observers only. The scope of the monitoring is determined by the ABS Quality System. However, Coast Guard attendance at activity monitoring provides an excellent opportunity to observe first hand surveyors' processes, discuss procedures and decisions, identify and answer questions, resolve potential problems, and reinforce communication between the ABS and the Coast Guard.

Cognizant OCMI's shall report their observations on activity monitoring to the Program Coordinator. The reports should note the date, location, vessel, and the procedure being monitored. The report should include an assessment of how well the procedure addresses the safety concerns of the Coast Guard.

NON-ROUTINE OVERSIGHT ACTIVITIES

COAST GUARD INITIATED ABS ACTIVITY MONITOR. An OCMI may initiate an ABS Activity Monitor upon finding that an established ABS

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survey procedure, when properly carried out, fails to address all of the critical safety concerns relating to a system or component.

After consulting with the Program Coordinator about the specific nonconformity triggering the request, the type of survey desired for observation, and any other information which may aid in developing an effective agenda for the oversight visit, the OCMIs shall so inform the local Surveyor-in-charge, and arrange a mutually convenient date to attend a monitor. The goal of the visit is to identify problems or inadequacies in the ABS survey procedures and promote appropriate corrective action.

ABS Activity Monitors initiated by the Coast Guard will have the same scope as those activity monitors initiated through the ABS Quality System. Coast Guard personnel making the visit are observers, and must not interfere or expand the scope of the survey being monitored.

After completing the activity monitor oversight visit, OCMIs shall report the results of the visit to the Program Coordinator. The report should describe the deficiency which triggered the visit, provide the date and location of the visit, and the specific processes which were evaluated. The report should indicate whether any problems were found with the survey procedure, and any corrective actions which have been recommended to the Surveyor-in-charge.

VESSEL RECORD AUDIT. Cognizant OCMIs may recommend to the Program Coordinator that a Vessel Record Audit be conducted when there are indications that the CG/ABS/ACP has failed to ensure an adequate level of vessel safety. This activity should be considered when there is a major material deficiency, or numerous minor material condition deficiencies, which result from some program non-conformity other than an inadequate ABS survey procedure. Recommendations for Vessel Record Audits made to the Program Coordinator must identify the vessel and the specific nonconformity which has prompted the recommendation.

For example, discovery of significant structural deterioration, which in most instances is a condition which develops over an extended period of time, is an apparent program nonconformity inasmuch as it should have been detected during previous surveys. The inability of the CG/ABS/ACP to ensure timely detection and correction of the condition suggests an apparent process failure, i.e., failure to adequately perform previous structural examinations. A Vessel Record Audit, wherein the vessel's structural examination history is scrutinized, would be warranted in this instance.

MATERIAL CONDITION DEFICIENCIES

The procedure for addressing material condition deficiencies on vessels enrolled in the CG/ABS/ACP, including deficiencies noted during oversight activities, is given in the section "Administrative Actions Affecting Certification," in enclosure (1) to reference (c). OCMIs shall review all deficiencies with an eye towards determining if they may have resulted from a program process failure. When a process failure is suspected, the OCMI may initiate appropriate non-routine oversight activities.

III. DUTIES AND RESPONSIBILITIES OF THE PROGRAM COORDINATOR

The U.S. Coast Guard Liaison Officer to the ABS is the CG/ABS/ACP Program Coordinator.

OVERSIGHT SCHEDULING AND MONITORING

The Program Coordinator is responsible for the overall administration and management of the CG/ABS/ACP. To effectively carry out these responsibilities, the Program Coordinator will monitor all oversight activities conducted as part of the CG/ABS/ACP to ensure that roughly ten percent of all ABS' program activities receive Coast Guard oversight.

EXPANDED CG/ABS/ACP BOARDINGS. The Program Coordinator, in consultation with cognizant OCMIs, will select the vessels which will receive expanded boardings. This selection will be based on the need to conduct expanded boardings on ten percent of the participating vessels each year. The Program Coordinator will ensure that each participating vessel receives an expanded boarding once every ten years. The Program Coordinator shall determine the most appropriate means for notifying cognizant OCMIs of the vessels selected for oversight.

CG/ABS/ACP DRYDOCK EXAMS. The Program Coordinator, in consultation with cognizant OCMIs, will select the vessels for drydock oversight surveys. The selection shall be based on vessel age, type, inspection/survey history, and any other factors relevant to the vessel's structural condition. The Program Coordinator will monitor all drydock oversight exams to ensure that an overall level of ten percent is maintained.

NEW CONSTRUCTION AND MAJOR MODIFICATION. The Program Coordinator, in consultation with the cognizant OCMI, shall establish the scope of oversight to be conducted during a particular new vessel construction or major modification project.